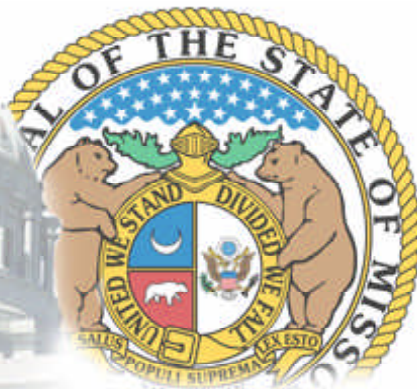


# STATE SENATOR MICHAEL R. GIBBONS



## CAPITOL REPORT 2004

### New Laws To Ensure Children Receive Needed Treatment, Improve Student Testing and Reduce Fraudulent Use Of Tax Credits Passed By General Assembly

Dear Constituent,

On August 28th, 177 of the 224 bills and resolutions passed this year by state lawmakers took effect, bringing a variety of positive changes that range from helping children to reducing the fraudulent use of tax credits.

The first law passed this year was SB 1003, a measure I sponsored to reform our state's system of providing mental health care for children. As a result of this law, no child needing mental services will be denied treatment in Missouri. Just as important, no parent will again have to face the agony of losing custody of a child simply to get the care their child needs.

Following a series of investigative reports by the Post-Dispatch, we were shocked to learn that our state was being robbed of millions of tax dollars through the fraudulent use of tax credits. As chairman of the Joint Committee on Tax Policy, I sponsored and won approval for a measure that requires a systematic audit of all Missouri tax credits and a full accounting of how well those credits are working to accomplish their intended purpose so that those that work continue and those that fail are repealed.

Lawmakers this year also passed into law bills to increase education funding, legislation to more accurately reflect student achievement in performance testing and a bill to protect citizens against identity theft in Missouri.

Citizens with disabilities and those over age 65 who meet income guidelines will be protected against sharp property tax increases under the Homestead Protection Act. This measure caps property tax increases resulting from reassessment at 5 percent.

These and other measures are now law in our state. This newsletter is provided to give a brief overview of action taken by the legislature this year to improve our state and the laws by which we live.

Please contact us if you need more information about these or other issues before state lawmakers. Your help is essential to our efforts to help state government better serve all citizens.

Yours truly,

Michael R. Gibbons  
Senate Majority Leader



## Legislation Enacted to Stop Fraudulent Use of State Tax Credits

The General Assembly this session passed a comprehensive measure I sponsored to bring order to out-of-control chaos of unmonitored tax credits that were being fraudulently used to bilk taxpayers out of millions of dollars.

In a series of investigative reports, the St. Louis Post-Dispatch documented how bogus companies had been created to reap millions in tax credits without creating a single job. This expose' resulted in a number of criminal convictions — and a new system requiring greater openness of tax credit records and scrutiny to assure they are being used as intended.

Missouri issues a wide array of tax credits for purposes ranging from business incentives and historic preservation to job creation. Once issued, these tax credits can be used by the entity to which they were issued, or sold to companies attempting to reduce their tax liability.

Despite the number of tax credits issued, Missouri had no systematic way to organize and review tax credits to be sure they were used as intended.

As Chairman of the Joint Committee on Tax Policy, I introduced SB 1099, which sets up the state's first compre-

hensive system of organizing all Missouri tax credits. The bill also requires tax credits to be carefully monitored. If the tax credits are not generating results as intended, they can be discontinued.

The bill also requires that credits be tracked not only in regard to the companies that receive them, but also when they are used and by whom.

Further, the bill requires a full reporting of tax credit activity to be made to the state auditor, the attorney general and the Joint Committee on Tax Policy. To assure full access to information about tax credits, the measure requires that all entities applying for — as well as all information about credits that are granted — be open records under the state Sunshine law.

This legislation does not eliminate any tax credits. It does impose oversight to ensure credits are being used in the way they are intended, and that the credits are achieving the purpose for which they were created.

Most important, the legislation will help ensure that taxpayers will not again be victimized by the type of fraudulent use of tax credits that was disclosed earlier this year.

## Homestead Preservation Act: Protecting Homeowners Against Reassessment Property Tax Increases

This year, I joined Sen. Chuck Gross, R-St. Charles, in sponsoring SB 730, the Homestead Preservation Act. This measure helps protect citizens with disabilities and citizens over age 65 against sharp increases in property taxes resulting from reassessment.

Under this proposal, if reassessment results in a property tax increase of more than 5 percent, a credit of the amount above 5 percent will be issued to the taxpayer. This credit can be used against the property taxes due the following year.

The new law will take effect in January. To take advantage of these credits, eligible property owners can file an application through their local assessor's office between April 1 and Sept. 30.

The program covers citizens with disabilities and citizens 65 or older who have annual income levels greater than the upper limit of the Circuit Breaker program (\$25,000), but less than \$70,000 per year.

The cost of this program will be covered by annual appropriations approved by the General Assembly. In this way, local political subdivisions, such as school districts and ambulance districts that depend on

property taxes to operate, will not lose funds as a result of this measure

### Property Tax Rollbacks

This year, I introduced SB 960 to strengthen protections against constantly increasing residential property taxes. SB 960 reinforces the property tax rate rollbacks provided in the Hancock Amendment while



also resisting higher taxes on personal property. The bill also gives the legislature the ability to disapprove changes in the way property taxes are calculated, providing an additional layer of protection to taxpayers. These measures will help ensure that taxes on houses and cars will not increase excessively in the future.



## Special Interim Committee Explores Ways To Strengthen Multimodal and Railroad Systems in Missouri

A special joint interim committee on multi-modal transportation is conducting hearings to explore ways in which Missouri can strengthen support for railway systems and other transportation modes in Missouri.

The committee, on which Sen. Gibbons serves as a member, has conducted hearings in various locations around the state, including Kirkwood.

The committee is receiving testimony from citizens, local officials, and transportation professionals, including those who work for Amtrak.

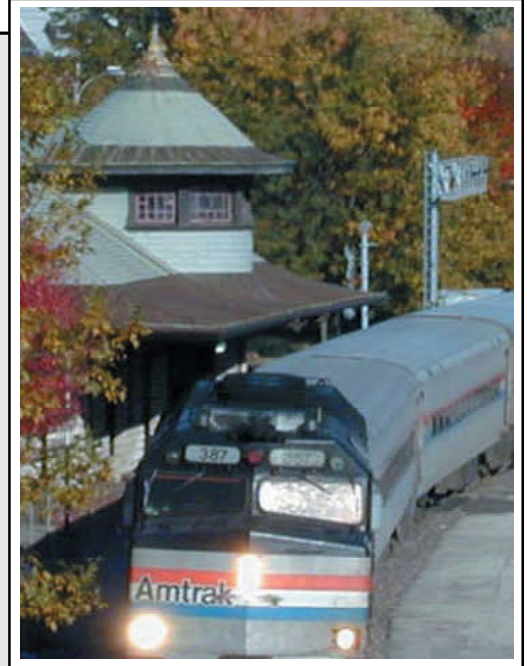
During the last four years, revenue shortfalls have negatively affected multimodal transportation systems, especially passenger rail systems. A variety of innovative efforts — including volunteers working to keep Amtrak stations open, have been employed to help address the funding shortages.

This interim committee, made up of lawmakers from both the Senate and House of Representatives, has been appointed to conduct a detailed review of issues facing rail transportation, including receiving public testimony related to the importance of rail travel and what Missouri can do to sustain our railway systems.

The committee is responsible for developing a long-term vision for state-supported multimodal transportation systems, including plans to proactively meet challenges.

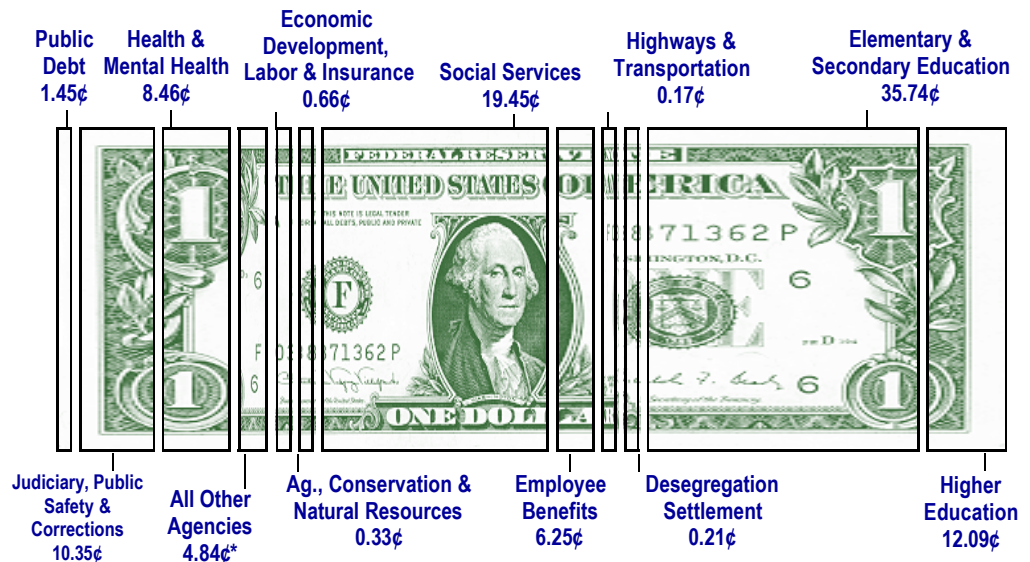
The committee is also exploring how the state can better regulate and connect different transportation systems. It will make recommendations on how system efficiency can be increased to reduce rail passenger dependency on General Revenue subsidies.

The committee is expected to complete its hearings and review by the end of December. Its findings will be included in a final report, including recommendations for legislative action lawmakers can take up when the reconvene in January.



## How Tax Dollars Are Allocated

The graph at right shows the distribution of each tax dollar of the General Revenue Fund. This information was compiled for fiscal year 2005.



## Key Bills in the 2004 Session

**Community Decency, SB 870** — Prohibits sexually explicit billboards within one mile of state highways.

**Child Protection, HB 1055** — Increases criminal penalties for child pornography.

**Kidnapping, HB 1487** — Expands and strengthens state kidnapping laws to include taking a child 14 or younger without parental consent.

**DNA Profiling, SB 1000** — Establishes a DNA database to include samples from all convicted felons. The program will be funded by additional court costs.

**Foster Care, HB 1453/SB 762** — Requires the Division of Family Services to maintain higher standards to preserve families and protect children in foster care.

**Tax Credit Fraud, SB 1099** — Requires systematic organization of tax credits issued by the state, including detailed reporting to ensure they achieve their intended purpose.

**Meth Eradication, SB 992** — Tightens standards for transporting anhydrous ammonia to prevent its use in the illegal manufacture of methamphetamine.

**Identity Theft, HB 916** — Updates laws against stealing another's identity and creates the crime of trafficking in stolen identities.

**Mandatory Insurance, HB 855** — Requires insurers to cover treatment for mental illness in the same manner as other medical services.

**Mental Health for Children, SB 1003** — Establishes a comprehensive system of providing mental health services for children without parents having to relinquish custody of child.

**Prescription Drug Repository Program, SB 1160** — establishes a state repository for donations of sealed prescription drugs for older and disabled citizens.

**Property Tax Relief, SB 730** — Allows senior citizens and citizens with disabilities to obtain a state income tax credit to offset property tax increases of 5 percent or more.

**Tort Reform, HB 1304** — Curbs venue shopping, re-establishes limits on jury awards in civil cases for non-economic damages, prevents multiple awards for the same incident. **VETOED BY GOVERNOR.**

**Unemployment Compensation, HB 1268** — Helps lower premiums paid by businesses by restoring solvency to the state's depleted unemployment compensation fund.

**Mandatory Union Fees, HCR 5** — Blocked Gov. Holden's order to take fees from earnings of state workers refusing to join unions. **VETOED BY GOVERNOR.**

### Keeping In Contact:

The success of our representative form of government depends on effective communication between elected officials and the citizens they serve.

Newer technology also provides a greater opportunity to stay in touch. To access information about bills I have sponsored, check for local services in our electronic community services directory, or access electronic versions of newsletters and press releases, go to <http://senate.state.mo.us>. Simply click the "Legislative Information" link and click on "Legislative Leadership" to access my legislative web page.

To help keep you informed about timely developments of interest to you, simply send an email to: [GibbonsE-Alert@senate.state.mo.us](mailto:GibbonsE-Alert@senate.state.mo.us) with a "subscribe" message in the subject line, and we will add you to the list of constituents who want to receive our press releases via email. Your input is essential to our efforts to make state government better. Please don't hesitate to contact us if we can be of service.

Capitol Office:  
Room 221, State Capitol  
Jefferson City MO 65101

District Office:  
148 W. Adams  
Kirkwood MO 63122

## Senator Gibbons' 2004 Legislation

This is a list of legislation sponsored and passed this year by Sen. Gibbons.

**SB 919** - Revises the law relating to disabled license plates and placards and the use of designated disabled parking spaces. (Combined with SB 1233)

**SB 935** - Allows members of the Missouri State Society, Daughters of the American Revolution, to obtain license plates (Combined with SB 1233)

**SB 945** - Directs the state board to assist and encourage school districts in adopting service-learning programs

**SB 960** - Makes clarifications to the property assessment law

**SB 1003** - Creates a comprehensive children's mental health service system

**SB 1046** - Allows persons to obtain "Friends of Kids with Cancer" license plates

**SB 1093** - Allows political subdivisions and other public entities to invest public funds

**SB 1099** - Implements the Tax Credit Accountability Act

**SB 1100** - Revises requirements for publishing of administrative rules

**SB 1123** - Requires the Division of Medical Services to annually recalculate the Medicaid nursing home reimbursement amount

**SB 1172** - Authorizes the Secretary of State to open and maintain an archival facility in St. Louis

**SB 1228** - Increases the penalty for certain sexual offenders when they fail to register — passed as part of HB 1055

**SB 1331** - Revises the definition of "municipality" as it relates to downtown and rural development

**SCR 30** - Authorizes the printing of all acts and resolutions passed by the General Assembly in 2003

**SCR 32** - Highlights the benefits of character education and challenges the school districts of the state to

develop character education programs for their students

**SCR 36** - Creates the Joint Interim Committee on Underage Drinking



*Senate Majority Leader Michael Gibbons and Senate President Pro Tem Peter Kinder confer on the senate floor during this year's legislative session.*

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## Flat Tax For Missouri:

### Efforts to continue to pass a simplified tax system for our state.

I continue to support and advocate passage of a simplified, flat-rate income tax for the state of Missouri. Currently, there are more than 693 sections of income tax codes, making them so complex that it is almost impossible for citizens to take advantage of every tax break to which they are entitled.

Under our current system, filing a state income tax return can be a nightmare, requiring the additional cost of professional assistance to ensure forms are properly detailed.

There is simply no reason for our income tax system to be this complicated. The change I advocate would establish an individual income system that would allow every individual a \$10,000 personal exemption. Then, income over this amount would be taxed at 4.5 percent.

This system would be simple enough to allow individuals to file their income taxes on a form the size of a postcard. Yet, this simplified system would generate about the same amount of revenue as the current complex system, but would do so without the extended bookkeeping and accounting requirements that now must be used.

Under a single rate tax plan, everyone would win, and taxpayers would be much happier as they prepare their returns before April 15.

## Underage Alcohol Use Concerns Legislators

It is estimated that in 2001, underage drinking cost the citizens of Missouri approximately \$1.4 billion. These costs include medical care, work loss, and pain and suffering associated with the problems resulting from the use of alcohol by youth. I have been named chairman of the Joint Interim Committee on Underage Drinking, which has been charged with studying this growing problem.

The members will make a report to the General Assembly after the study has been completed and offer recommendations on their findings.

Statistics about underage drinking in our state are shocking, and the consequences behind it are harmful. From a legal, social or health standpoint, underage drinking has negative results. We must attempt to study what causes this

practice among children of the state, and what could be a means to control it before it begins.

Missouri ranks 11 highest among the 50 states for the cost per youth of underage drinking.

Young people who begin drinking before the age of 15 are four times more likely to develop alcohol dependence and are more than twice as likely to become abusers of alcohol than those who begin drinking at age 21.

When a young person takes a drink they are opening themselves up to the possibility of a lifetime of trouble. Traffic accidents, street fights, high-risk sex and teen pregnancy all increase among youth when alcohol is involved.

After holding a series of public hearings, the committee will develop a report on actions the Missouri Legislature could take to combat the problem of underage drinking.



**Melody Buckner, left, and Alex Ricke, right, students from Kirkwood High School, testifying at the Joint Committee to study underage drinking, Sept. 13th, 2004.**

## State Economy Emerges from Recession

### *Lawmakers Increase Appropriations for Schools*

Missouri's economy is emerging from an extended recession and the 2005 Fiscal Year budget reflects that.

Education is, and will continue to be the top priority to Missourians. Lawmakers approved \$4.8 billion for elementary and secondary education, a \$200 million increase in funding for public schools, and \$1 billion for the state's colleges and universities, an increase of more than 20 million over FY '04.

In other departments, lawmakers approved FY '05 appropriations of:

- Social Services - \$6 billion, 226 million
- Transportation - \$1 billion, 644 million
- Administration - \$172 million
- Revenue - \$459 million
- Agriculture - \$36 million
- Natural Resources - \$329 million
- Conservation - \$134 million
- Economic Development - \$277 million
- Labor and Industrial Relations - \$158 million
- Public Safety - \$378 million
- Corrections - \$574 million
- Mental Health - \$973 million
- Health - \$450 million
- Elected Officials - \$76 million
- General Assembly - \$29 million
- Insurance - \$14 million
- Judiciary and Public Defender - \$197 million

*\*figures are rounded*



## Senator Gibbons Teams With Local Citizen Group to Secure Accelerated Improvements to Gravois in Affton

Senator Michael R. Gibbons joined with the Metropolitan Congregation United – Isaiah and local officials to secure the acceleration of major improvements to Gravois Road in Affton, Mo. For more than a year, Gibbons worked closely with this organization to undertake this grassroots effort to address the need for the much-needed highway improvements.

“The road is in deplorable condition and it affects not only the safety but the community’s efforts at economic development,” Gibbons said. “The good news for Affton and the surrounding area now comes with an even faster timetable for improvements to Gravois.”

The project involves a major upgrade to a section of Gravois Road from I-270 to the St. Louis city limits. The specific portion that will first be repaired runs through Affton. Bids to begin the project had not been scheduled until 2008.

The Department of Transportation has projected that bids on the improvement project will be let in July 2005, and the Affton section will be completed in 2005. Contracts for the highway reconstruction were awarded in August.

Gibbons noted that the heavily traveled section of highway had deteriorated, and was previously subjected to a seal-coat resurfacing that is now coming loose causing problems for motorists and adjoining property owners.

“This is a major thoroughfare that seriously needs immediate improvement,” Gibbons said. “Given the



*A portion of Gravois Road slated for resurfacing.*

condition of the roadway, the accelerated improvements are significant steps forward for motorists who travel Gravois as well as property owners who live in this area of the county.”

MoDOT approved the request in July following a year-long effort by Sen. Gibbons, fellow legislators, MCU – Isaiah and other organizations in the surrounding areas to secure the accelerated improvements. The grassroots effort involved petitions, a meeting in South County with more than 450 attending, and contact with state, federal and local officials.

“People’s impressions of St. Louis are formed by what they see around them,” Gibbons said. “Having the roadway and surrounding areas repaired, especially the road to Grant’s Farm – one of the area’s major tourist attractions – is significant to everyone.”

## Highway Projects Impacting 15<sup>th</sup> Senatorial District

- **FY ‘04** - Improve intersections at Carol Park Road, upper and lower Byrnes Mill Road, and Ottomeyer Lane, total cost estimate of \$1,646,000; Signal modifications of Route 30 at Route B, Route BB and Clearview and Route 67 at Route CC, cost estimated at \$119,000.

- **FY ‘05** - Mil and resurface, including signal loop replacement from Butler Spur to north of bridge over Butler Lake and south of bridge over Butler Lake to north of bridge over the Meramec River, cost estimated at \$3,422,000.

- **FY ‘06** - Power wash and overcoat existing bridge over the Meramec River, cost estimated at \$1,032,000.

## Citizens From Our Area Appointed To Serve on State Boards and Commissions

Under our state's balance of power, the Senate must confirm key appointments by the governor to key state boards and commissions. During the 2003 and 2004 legislative session, I was honored to sponsor the appointments of an excellent number of citizens from our area who were selected to serve in different capacities. I would like to again congratulate these citizens on their appointments, and to thank them for service to our state.

John D. Rogers	Child Neglect and Review Board
Norella V. Huggins	Hazardous Waste Management Commission
Donna M. Vandiver	Missouri Women's Council
Joann E. Noll	Mo. Planning Council on Developmental Disabilities
Robert B. Hermann, Ph.D.	Seismic Safety Commission
Wayne Mueller,	Boiler and Pressure Safety Rules Board
John W. Haasis	Elevator Safety Board
Patricia A. Nichols	Well Installation Board
Marion H. Cairns	University of Missouri Board of Curators
John Chapman	Workers' Compensation Determination Board
Randall S. Jotte, M.D.	911 Service Oversight Advisory Committee
Beth L. Viviano	Missouri Family Trust Board of Trustees
Randall B. Miltenberger	Board for Architects, Professional Engineers
Steven R. Hermann	Seismic Safety Commission
Victoria A. Horst	Advisory Commission for Physical Therapists
Janet W. Hunt	Missouri Real Estate Commission
Emmy L. McClellan	Missouri Community Services Commission
Randall H. Sammons	Advisory Council on Emergency Medical Services
Fred L. McClure III	Advisory Committee on Lead Poisoning
Bruce H. Nethington	Health Facilities Review Committee
Michael Foresman	Air Conservation Commission
Jennifer Hill Nixon	Board of Governors, Central Missouri State University
Stephen B. Hoven	Health and Education Facilities Authority
Quinton Wilson	Midwestern Higher Education Commission



*One of the gubernatorial appointees this session was Quinton Wilson, for the Midwestern Higher Education Commission.*

Visit the 15th District online Community Services Directory at Senator Gibbons' webpage:  
[www.senate.state.mo.us/gibbons](http://www.senate.state.mo.us/gibbons)

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